

**WASHINGTON PARISH CLERK OF COURT**  
**Franklinton, Louisiana**

**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana

Annual Financial Statements  
As of and for the Year Ended June 30, 2010

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**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana

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## **INDEPENDENT AUDITOR'S REPORT**

**Honorable Johnny D. Crain  
Washington Parish Clerk of Court  
Franklinton, Louisiana**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Clerk of Court as of and for the year ended June 30, 2010, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Washington Parish Clerk of Court's management. My responsibility is to express an opinion on these financial statements based on my audit.

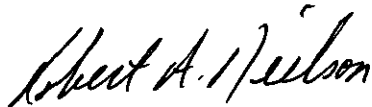
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Clerk of Court as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2010 on my consideration of the Washington Parish Clerk of Court's

internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-8), budgetary comparison information (page 32) and schedule of funding progress (page 33) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Certified Public Accountant

Bogalusa, Louisiana  
December 22, 2010

**REQUIRED SUPPLEMENTAL INFORMATION**  
**PART I**

**WASHINGTON PARISH CLERK OF COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2010

This discussion and analysis of the Washington Parish Clerk of Court's (Clerk) financial performance provides an overview of the Clerk's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

- Assets exceeded liabilities by \$489,392
- Total revenues increased \$40,424, or 3.1 percent and total expenses increased \$100,864, or 6.7 percent
- The general fund reported a fund balance of \$251,287, a decrease of \$125,395 from the prior year

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Clerk's finances in a manner similar to private sector business. They present the financial picture of the Clerk from an economic resources measurement focus using the accrual basis of accounting.

The statement of net assets presents information on all the Clerk's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Clerk is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year using the accrual basis of accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Clerk has two kinds of funds: 1) governmental funds and 2) fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Clerk's general government operations. The Clerk uses one governmental fund, the general fund, to account for its operations.

Fiduciary funds. Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Clerk's net assets at June 30, 2010 and 2009 are summarized below.

	<u>2010</u>	<u>2009</u>
Current and other assets	\$284,024	\$412,860
Capital assets (net of accumulated depreciation)	<u>350,584</u>	<u>410,514</u>
Total assets	<u>634,608</u>	<u>823,374</u>
Current and other liabilities	32,737	36,178
Long-term liabilities	<u>112,479</u>	<u>38,801</u>
Total liabilities	<u>145,216</u>	<u>74,979</u>
Net Assets:		
Invested in capital assets, net of related debt	322,369	371,713
Unrestricted	<u>167,023</u>	<u>376,682</u>
Total net assets	<u>\$489,392</u>	<u>\$748,395</u>

Net assets decreased \$259,003 or 35 percent. Capital assets are non-liquid assets and cannot be utilized to satisfy the Clerk's obligations.

Changes in the clerk's net assets for the year's ended June 30, 2010 and 2009 are summarized below.

	<u>2010</u>	<u>2009</u>
Revenues:		
Program revenues	\$1,343,790	\$1,292,260
General revenues	<u>8,858</u>	<u>19,964</u>
Total revenues	<u>1,352,648</u>	<u>1,312,224</u>
Expenses:		
Personal services and related benefits	1,259,792	1,098,033
Operating services	186,405	225,674
Supplies	68,371	72,375
Other expenses	<u>97,083</u>	<u>114,705</u>
Total expenses	<u>1,611,651</u>	<u>1,510,787</u>
Change in net assets	(259,003)	(198,563)
Net assets-beginning	<u>748,395</u>	<u>946,958</u>
Net assets-ending	<u>\$ 489,392</u>	<u>\$ 748,395</u>

Fees for recording were approximately 28 percent and 32 percent of program revenues for the years ended June 30, 2010 and 2009, respectively. Fees from civil suits were approximately 51 percent and 47 percent of program revenues in 2010 and 2009, respectively.

Personal services and related benefits were approximately 94 percent and 85 percent of program revenues in 2010 and 2009, respectively.

## **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

The general government functions are reported in the general fund. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The fund balance of the general fund decreased by \$125,395 during the year ended June 30, 2010. At the end of the current year, the total fund balance of \$251,287 was unreserved. Unreserved fund balance represents 17 percent of total fund expenditures.

The total revenues of \$1,352,648 are the same as reported in the government-wide statement of activities. The difference between the general fund expenditures and the expenses on the statement of activities are in the reporting of capital expenditures, depreciation, capital leases and repayment of debt.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The budget was amended once during the year.

The following are significant variations between the budget and actual amounts.

1. Actual revenues exceeded budgeted revenues by \$69,448. Revenues from recordings were under budgeted amounts by \$376,217 due to a decline in oil and gas activity within the parish. Revenues from civil suits exceeded budgeted amounts by \$563,204.
2. Actual expenditures were under budgeted expenditures by \$8,557 or less than 1%.

## CAPITAL ASSETS AND LONG-TERM DEBT

**Capital Assets.** The following summarizes the Clerk's investment in capital assets at June 30, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Capital assets	\$744,046	\$757,412
Less accumulated depreciation	( 393,462)	( 346,898)
Capital assets, net	350,584	410,514
Less related debt	( 28,215)	( 38,801)
Invested in capital assets	<u>\$322,369</u>	<u>\$371,713</u>

The clerk purchased capital assets of \$22,551 and \$40,929 in the years ended June 30, 2010 and 2009, respectively.

**Long-Term Debt.** The following summarizes the Clerk's capital lease obligation activity during the years ended June 30, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$38,801	\$19,313
Additions	0	28,192
Payments	( 10,586)	( 8,704)
Balance, end of year	<u>\$28,215</u>	<u>\$38,801</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The annual budget is developed to provide efficient, effective and economic uses of the Clerk's resources.

In the year ended June 30, 2010, approximately 99 percent of the Clerk's revenues represented charges for services.

Revenues in 2011 are expected to remain approximately the same as in 2010. Expenditures in 2011 are expected to decrease approximately \$113,000 primarily due to a decline in the cost of personnel services and related benefits.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Clerk's finances and to show the Clerk's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Honorable Johnny D. Crain, Washington Parish Clerk of Court, P.O. Box 607, Franklinton, LA 70438, phone number (985) 839-4663.

**WASHINGTON PARISH CLERK OF COURT**

Franklinton, Louisiana  
Statement of Net Assets  
June 30, 2010

**ASSETS**

Cash	\$223,008
Receivables	58,831
Due from other funds	2,185
Capital assets, net of accumulated depreciation	<u>350,584</u>

**Total Assets** 634,608

**LIABILITIES**

Accounts payable	16,536
Payroll taxes payable	5,879
Compensated absences payable	10,322
Long-term liabilities:	
Due within one year	
Capital leases	10,390
Due in more than one year	
Capital leases	17,825
Net OPEB obligation	<u>84,264</u>

**Total Liabilities** 145,216

**NET ASSETS**

Invested in capital assets, net of related debt	322,369
Unrestricted	<u>167,023</u>

**Total Net Assets** \$489,392

The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**

Franklinton, Louisiana

Statement of Activities

Year Ended June 30, 2010

**EXPENSES**

Judiciary:

Personal services	\$ 812,890
Employee benefits	446,902
Travel	7,439
Operating services	186,405
Supplies	68,371
Interest and other charges	7,163
Depreciation	<u>82,481</u>

**Total Expenses** 1,611,651

**PROGRAM REVENUES**

Recordings	373,783
Cancellations	22,618
Mortgage certificates	18,703
Certified copies	39,761
Court attendance	4,184
Criminal fees	106,267
Civil suits	685,204
Notarial fees	4,685
Marriage licenses	10,409
Miscellaneous	<u>78,176</u>

**Total Program Revenue** 1,343,790

**GENERAL REVENUES**

Interest	<u>8,858</u>
<b>Total General Revenues</b>	<u>8,858</u>

**CHANGE IN NET ASSETS** (259,003)

**NET ASSETS – BEGINNING OF YEAR** 748,395

**NET ASSETS – END OF YEAR** \$ 489,392

The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**

Franklinton, Louisiana

Governmental Fund – General Fund

Balance Sheet

June 30, 2010

**ASSETS**

Cash	\$223,008
Receivables	58,831
Due from other funds	<u>2,185</u>

<b>Total Assets</b>	<b><u>\$284,024</u></b>
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**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	\$ 16,536
Payroll taxes payable	5,879
Compensated absences payable	<u>10,322</u>

<b>Total Liabilities</b>	<b>32,737</b>
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**Fund Balance:**

Unreserved	<u>251,287</u>
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<b>Total Fund Balance</b>	<b><u>251,287</u></b>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$284,024</u></b>
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The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Governmental Fund  
Reconciliation of the Balance Sheet to the Statement of Net Assets  
June 30, 2010

Fund Balance – Governmental Fund	\$251,287
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Amounts reported for governmental activities  
in Statement of Net Assets are different  
because:

Capital assets used in governmental activities are  
not financial resources and therefore are not  
reported in the governmental fund

Governmental capital assets	\$744,046	
Less accumulated depreciation	( 393,462)	
		350,584

Long-term liabilities are not due and payable in  
the current year and therefore are not reported in  
the governmental fund:

Capital leases	( 28,215)
Net OPEB obligation	( 84,264)

Net Assets of Governmental Activities	<u>\$489,392</u>
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The accompanying notes are an integral part of the financial statements.



**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Governmental Fund – General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Year Ended June 30, 2010

**REVENUES**

Fees, charges and commissions  
for services:

Recordings	\$ 373,783
Cancellations	22,618
Mortgage certificates	18,703
Certified copies	39,761
Court attendance	4,184
Criminal fees	106,267
Civil suits	685,204
Notarial fees	4,685
Marriage licenses	10,409
Miscellaneous	78,176
Interest	<u>8,858</u>
<b>Total Revenues</b>	<b>1,352,648</b>

**EXPENDITURES**

Judiciary:

Personal services	812,890
Employee benefits	362,638
Travel	7,439
Operating services	186,405
Supplies	68,371
Debt service	
Principal	10,586
Interest and other charges	7,163
Capital outlay	<u>22,551</u>
<b>Total Expenditures</b>	<b><u>1,478,043</u></b>

<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(125,395)</b>
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<b>Fund Balance at Beginning of Year</b>	<b><u>376,682</u></b>
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<b>Fund Balance at End of Year</b>	<b><u><u>\$ 251,287</u></u></b>
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The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities  
Governmental Fund  
June 30, 2010

Net change in Governmental Fund Balance	(\$125,395)
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Amounts reported for governmental activities in the statements of net assets are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives

Expenditures for capital assets	22,551
Current year depreciation	( 82,481)

Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Assets.

10,586

OPEB expense is not reported in the governmental fund	( <u>84,264</u> )
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Change in Net Assets of Governmental Activities	<u>(\$259,003)</u>
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The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Statement of Fiduciary Net Assets  
June 30, 2010

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	<u>\$984,177</u>	<u>\$1,479,114</u>	<u>\$2,728</u>	<u>\$2,466,019</u>
<b>Total Assets</b>	<u>984,177</u>	<u>1,479,114</u>	<u>2,728</u>	<u>2,466,019</u>
<b>LIABILITIES</b>				
Due to Salary Fund	2,074	76	35	2,185
Held for others pending court action	<u>982,103</u>	<u>1,479,038</u>	<u>2,693</u>	<u>2,463,834</u>
<b>Total Liabilities</b>	<u>984,177</u>	<u>1,479,114</u>	<u>2,728</u>	<u>2,466,019</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Statement of Changes in Fiduciary Net Assets  
Year Ended June 30, 2010

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
<b>ADDITIONS</b>				
Suits and successions	\$920,702	\$173,894	\$17,997	\$1,112,593
Interest income	<u>-</u>	<u>3,845</u>	<u>-</u>	<u>3,845</u>
<b>Total Additions</b>	<u>920,702</u>	<u>177,739</u>	<u>17,997</u>	<u>1,116,438</u>
<b>DEDUCTIONS</b>				
Clerk's cost (transferred to Salary Fund)	679,774	-	5,430	685,204
Settlements to Litigants	-	273,139	-	273,139
Sheriffs' fees	72,264	-	4,830	77,094
Attorneys, curator and notary	14,039	-	-	14,039
Judges expense fund	21,690	-	-	21,690
Judges supplemental fund	30,427	-	-	30,427
Transfer to Civil Jury Fund	17,997	-	-	17,997
Washington Parish Government	26,063	-	-	26,063
Other Reductions	<u>8,613</u>	<u>-</u>	<u>7,770</u>	<u>16,383</u>
<b>Total Deductions</b>	<u>870,867</u>	<u>273,139</u>	<u>18,030</u>	<u>1,162,036</u>
<b>CHANGE IN NET ASSETS</b>	49,835	(95,400)	(33)	(45,598)
<b>NET ASSETS – BEGINNING OF YEAR</b>	<u>932,268</u>	<u>1,574,438</u>	<u>2,726</u>	<u>2,509,432</u>
<b>NET ASSETS – END OF YEAR</b>	<u>\$982,103</u>	<u>\$1,479,038</u>	<u>\$ 2,693</u>	<u>\$2,463,834</u>

The accompanying notes are an integral part of the financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**INTRODUCTION**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The clerk of court is elected for a four-year term.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Washington Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

The clerk of court is an independently elected official. The Washington Parish Government has determined that the Clerk is not a component unit of Parish Government utilizing criteria established by GASB Statement 14.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. FUND ACCOUNTING**

The Washington Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

#### **Governmental Funds**

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following is the clerk's governmental fund:

**General Fund** – the primary operating fund of the clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to clerk policy.

#### **Fiduciary Funds**

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

###### **Fund Financial Statements**

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Washington Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

###### **Revenues**

Fees for certified copies, cancellations, mortgage certificates, recording legal documents, and criminal fees are recorded in the year they are earned. Substantially all other revenues are recorded when received.

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)**

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Other Financing Sources/(Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

**Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Washington Parish Clerk of Court.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.



## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **E. BUDGETS**

The proposed budget for the year ended June 30, 2010 was made available for public inspection at the clerk's office on May 20, 2009. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 20 days prior to the public budget hearing. The budget hearing was held at the clerk's office on June 10, 2009. The budget is legally adopted and amended, as necessary, by the clerk. All appropriations lapse at year end. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts in the accompanying financial statements includes the original and final adopted budgets.

##### **F. CASH**

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Under state law, the Washington Parish Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

##### **G. INTERFUND ACTIVITIES**

The Clerk of Court transfers interest earned on deposits of the Agency Funds to the General Fund to be utilized by the General Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

##### **H. CAPITAL ASSETS**

Capital assets are capitalized at historical cost. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Capital Assets (continued)**

Capital assets are recorded in the Statement of Net Assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment under capital lease	5-8 years
Building improvements	25 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	5 years

**I. COMPENSATED ABSENCES**

The clerk of court has the following policy relating to vacation and sick leave:

Employees receive annual vacation days on July 1 of each year, depending upon length of service. A maximum of 10 days of unused vacation leave may be carried over into a new fiscal year. Upon termination, employees are paid for up to 5 days of unused vacation time.

Earned but unused vacation leave is accrued as a liability because (a) the employee's rights to receive compensation are attributable to services already rendered and (2) it is probable that the clerk will compensate the employees for the vacation leave through paid time off or some other means, such as cash payments at termination or retirement.

Employees receive up to 10 days of sick leave on July 1 of each year. A maximum of 40 days of unused sick leave may be carried over into a new year. Upon termination, employees are not paid for any unused sick days.

Earned but unused sick leave has not been accrued as a liability because no payments will be made at termination of employment.

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. COMPENSATED ABSENCES (continued)**

At June 30, 2010, employees of the clerk of court have accumulated and vested \$10,322 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund since the total liability can be reasonably expected to be paid from current resources.

**J. FUND EQUITY**

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2010, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

**K. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH**

At June 30, 2010, the Washington Parish Clerk of Court has cash (book balances) totaling \$2,689,027 as follows:

Checking accounts	2,862
Interest bearing demand deposits	\$2,191,561
Time deposits	494,604
Total	<u>\$2,689,027</u>

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **2. CASH (Continued)**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2010 the clerk has \$2,777,698 in deposits (collected bank balances). These deposits are secured from risk by \$2,774,836 of federal deposit insurance, and \$2,227,860 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

#### **3. RECEIVABLES**

The receivables of \$58,831 at June 30, 2010, consist of various fees and charges for services rendered.

#### **4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2010 is as follows:

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended 06/30/2010

**4. CAPITAL ASSETS(Continued)**

<u>Governmental Activities</u>	<u>Equipment Under Capital Lease</u>	<u>Building Improvements</u>	<u>Furniture &amp; Equipment</u>	<u>Total</u>
<b>Capital Assets:</b>				
Balance June 30, 2009	\$43,909	\$204,969	\$508,534	\$757,412
Additions- Y/E 06/30/10	-	-	22,551	22,551
Dispositions- Y/E 06/30/10	-	-	(35,917)	(35,917)
Reclassifications	-	-	-	-
Balance June 30, 2010	<u>43,909</u>	<u>204,969</u>	<u>495,168</u>	<u>744,046</u>
<b>Less Accumulated Depreciation:</b>				
Balance June 30, 2009	2,958	81,974	261,966	346,898
Additions- Y/E 06/30/10	7,603	8,199	66,679	82,481
Dispositions- Y/E 06/30/10	-	-	( 35,917)	( 35,917)
Reclassification	-	-	-	-
Balance June 30, 2010	<u>10,561</u>	<u>90,173</u>	<u>292,728</u>	<u>393,462</u>
Capital Assets, Net at June 30, 2010	<u>\$33,348</u>	<u>\$114,796</u>	<u>\$202,440</u>	<u>\$350,584</u>

**5. PENSION PLAN**

*Plan Description.* Substantially all employees of the Washington Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **5. PENSION PLAN (Continued)**

final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225)293-1162.

*Funding Policy.* Plan members are required by state statute to contribute 8.25 percent of their annual covered salary. Senate Bill 556 effective July 1, 1999, allows the Clerk as the employer to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the salary. The Washington Parish Clerk of Court pays all the 8.25% employee contribution. The Washington Parish Clerk of Court is also required to contribute at an actuarially determined rate. The current rate is 14.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Washington Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Washington Parish Clerk of Court's employer contributions to the System (exclusive of the 8.25% employee contribution) for the years ending June 30, 2010, 2009, and 2008, were \$103,931, \$77,946, and \$74,504, respectively, equal to the required contributions for each year.

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **6. DEFERRED COMPENSATION PLAN**

The Clerk offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan is administered by the Louisiana Deferred Compensation Commission. The plan, available to all full-time employees of the Clerk, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Great West Life & Annuity Insurance Co. for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 100% of their salary with the Clerk matching up to 10% of compensation. Maximum annual contributions for participants under age 50 and for participants age 50 and older may not exceed \$16,500 and \$22,000 respectively. All contributions are immediately vested. The Clerk contributed \$38,357 to the plan during the year ended June 30, 2010.

#### **7. OTHER POST-EMPLOYMENT BENEFITS**

*Plan Description.* The Clerk's defined benefit postemployment healthcare plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retirees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

*Funding Policy.* The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributes 100% of the cost of the current-year premiums for eligible retired plan members and 25% of the cost for retired plan members' spouse and dependent children. For fiscal year 2010, the Clerk contributed \$36,980 to the plan and the retirees contributed \$2,717.

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**7. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Annual OPEB Cost and Net OPEB Obligation.* For 2010 the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$121,244
Interest on Net OPEB Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual OPEB Cost (Expense)	121,244
Contributions made	<u>(36,980)</u>
Increase in Net OPEB Obligation	84,264
Net OPEB Obligation, Beginning of Year	<u>0</u>
Net OPEB Obligation, End of Year	<u>\$ 84,264</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and net OPEB obligation for fiscal year 2010 was \$121,244, 30.5%, and \$84,264 respectively.

*Funded Status and Funding Progress.* As of June 30, 2009, the actuarial accrued liability for benefits was \$1,777,795, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$672,396, and the ratio of unfunded actuarial accrued liability to the covered payroll was 264.4%.



## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **7. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

#### **8. LONG-TERM OBLIGATIONS**

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements.

**WASHINGTON PARISH CLERK OF COURT**  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2010

**8. LONG-TERM OBLIGATIONS (Continued)**

	<u>Capital Lease Obligations</u>
Long-term obligations at June 30, 2009	\$38,801
Additions, Y/E 06/30/10	0
Deductions, Y/E 06/30/10	( 10,586)
Long-term obligations at June 30, 2010	<u>\$28,215</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2010:

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2011	\$17,384
2012	15,787
2013	10,995
2014	<u>3,642</u>
Total minimum lease payments	47,808
Less amounts representing executory cost	( 13,396)
Net minimum lease payments	34,412
Less amount representing interest	( 6,197)
Present value of net minimum lease payments	<u>\$28,215</u>

The Clerk of Court does not have any noncancelable operating leases at June 30, 2010.

## **WASHINGTON PARISH CLERK OF COURT**

### **Notes to the Financial Statements**

**As of and for the Year Ended June 30, 2010**

#### **9. EXPENDITURES FOR THE CLERK NOT INCLUDED IN THE FINANCIAL STATEMENTS**

Certain operating expenditures of the Clerk's office are paid by the Washington Parish Government as required by Louisiana Revised Statute 33:4713. The Clerk's office is located in the Washington Parish Courthouse, and the upkeep and maintenance of the courthouse are paid by the Washington Parish Government. These expenditures are not reflected in the accompanying financial statements.

#### **10. RISK MANAGEMENT**

The Washington Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court. Settlements have not exceeded insurance coverage in each of the past three years.

**REQUIRED SUPPLEMENTAL INFORMATION  
PART II**

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
Governmental Fund – General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance- Budget (GAAP Basis) and Actual  
Year Ended June 30, 2010

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance With Final Budget Over (Under)
<b>REVENUES</b>				
Fees, charges and commissions for services:				
Recordings	\$450,000	\$750,000	\$373,783	(\$376,217)
Cancellations	25,000	22,000	22,618	618
Mortgage certificates	20,000	18,000	18,703	703
Certified copies	30,000	39,000	39,761	761
Court attendance	3,000	4,000	4,184	184
Criminal fees	91,000	198,000	106,267	(91,733)
Civil suits	622,000	122,000	685,204	563,204
Elections	8,000	0	0	0
Notarial fees	4,500	4,900	4,685	(215)
Marriage licenses	10,500	9,500	10,409	909
Miscellaneous	105,800	107,800	78,176	(29,624)
Interest	<u>15,000</u>	<u>8,000</u>	<u>8,858</u>	<u>858</u>
<b>Total Revenues</b>	<u>1,384,800</u>	<u>1,283,200</u>	<u>1,352,648</u>	<u>69,448</u>
<b>EXPENDITURES</b>				
Judiciary:				
Personal services	782,000	797,000	812,890	(15,890)
Employee benefits	306,400	374,300	362,638	11,662
Travel	10,000	7,500	7,439	61
Operating services	206,400	233,800	186,405	47,395
Supplies	71,000	65,000	68,371	(3,371)
Debt service				
Principal	-	-	10,586	(10,586)
Interest and other charges	-	-	7,163	(7,163)
Capital Outlay	<u>9,000</u>	<u>9,000</u>	<u>22,551</u>	<u>(13,551)</u>
<b>Total Expenditures</b>	<u>1,384,800</u>	<u>1,486,600</u>	<u>1,478,043</u>	<u>8,557</u>
<b>Excess(Deficiency) of Revenues Over(Under) Expenditures</b>	0	(203,400)	(125,395)	78,005
<b>Fund Balance at Beginning of Year</b>	<u>376,682</u>	<u>376,682</u>	<u>376,682</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$376,682</u>	<u>\$173,282</u>	<u>\$251,287</u>	<u>\$78,005</u>

The accompanying notes are an integral part of this schedule.

**WASHINGTON PARISH CLERK OF COURT**  
Franklinton, Louisiana  
June 30, 2010  
(Unaudited)  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
6/30/2009	\$0	\$1,777,795	\$1,777,795	0.0%	\$672,396	264.4%

The accompanying notes are an integral part of this schedule.

# ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

MEMBER

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Johnny D. Crain  
Washington Parish Clerk of Court  
Franklinton, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Clerk of Court, as of and for the year ended June 30, 2010, which collectively comprise the Clerk's basic financial statements and have issued my report thereon dated December 22, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Clerk of Court's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish Clerk of Court's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies,

significant deficiencies, or material weaknesses. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying Corrective Action Plan for Current Year Audit Findings as items 2010-1 and 2010-2 that I consider to be material weaknesses in internal control over financial reporting.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Washington Parish Clerk of Court, its management, and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant  
Bogalusa, Louisiana  
December 22, 2010



**WASHINGTON PARISH CLERK OF COURT**  
**Franklinton, Louisiana**  
**Corrective Action Plan for Current Year Audit Findings**  
**For the Year Ended June 30, 2010**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
<b>Section I – Internal Control and Compliance Material to the Financial Statements</b>				
2010-1	Inadequate Segregation of Duties – The size of the Washington Parish Clerk of Court operations and the limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control.	There is no corrective action planned. To hire the personnel to achieve an adequate separation of duties and to implement an adequate system of internal control would not be cost beneficial.	Johnny D. Crain Daphne Phelps Janet Riley	None
2010-2	The Washington Parish Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions, or preparing its financial statements including related notes.	The Washington Parish Clerk of Court has evaluated the cost vs. the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP. As a result, the Clerk of Court requested that its independent auditor prepare a draft of the Clerk's financial statements, including the related notes to the financial statements. The Clerk reviewed, approved, and accepted responsibility for those financial statements prior to their issuance. However, management did not perform a detailed review of the financial statements and does not have the ability to evaluate the completeness of financial statement disclosures.	Johnny D. Crain Daphne Phelps Janet Riley	None

**WASHINGTON PARISH CLERK OF COURT**  
**Franklinton, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2010**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
<b>Section I – Internal Control and Compliance Material to the Financial Statements</b>					
2009-1	June 30, 1992	Inadequate segregation of duties – The size of the Washington Parish Clerk of Court operations and limited staff preclude an adequate system of internal control.	None	No corrective action is planned.	It would not be cost beneficial to hire the additional personnel needed to achieve an adequate segregation of duties.
2009-2	June 30, 2007	The Washington Parish Clerk of Court does not have a staff person who has the training to apply generally accepted accounting principles(GAAP) in recording the entity's financial transactions, or preparing its financial statements including related notes.	None	No corrective action is planned.	It would not be cost beneficial to hire a person qualified to prepare the financial statements.
2009-3	June 30, 2009	Total actual revenues failed to meet total budgeted revenues by approximately eight percent. L.R.S. 39:1311 requires	Yes	Comply with the budget law.	None

that the budget be amended if actual revenues fail to meet budgeted revenue by five percent or more.